

**SUPREME COURT OF INDIA**

Consolidation Coffee Ltd.

Vs.

State of Karnataka

C.A.Nos.1169-73 of 1998

(S. P. Bharucha and D. P. Mohapatra, JJ.)

14.11.2000

**ORDER**

1. We are of the view that the High Court was right and that, therefore, the orders under challenge do not require any interference. Having regard to the materials on record, it is clear that the Agricultural Income Tax Officer had to proceed to assess the income of the assessee to the best of his judgment in terms of Rule (7) of the Karnataka Agricultural Income Tax Rules. In doing so he adopted the method of apportioning the gross receipts from the assessee's agricultural operations and non-agricultural operations. It cannot be said that this was a perverse method to apply. It might be that, had the assessee furnished all the relevant particulars and so urged, the apportionment could have been on the basis of the proportion between the net income from these sources; but that is no reason for us to interfere in the present cases. The High Court has relied upon the judgment of the Madras High Court in Commissioner of Income Tax v. Manjushree Plantation Ltd., (130 ITR 908) to say, "(T)herefore, any expenditure that would be incurred should be definitely relatable to the agricultural activity or to another activity which is not agricultural. When such bifurcation is not permissible, some reasonable test will have to be adopted as indicated in Manjushree's case," and that this appears to be correct. 1980 Tax LR 567

2. In the circumstances, these civil appeals are dismissed.

3. No order as to costs.

Appeals dismissed.